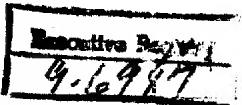


57-2795



23 SEP 1957

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Role of the Director of Personnel

In accordance with instructions from the Director of Central Intelligence, the Staff Study regarding the Role of the Director of Personnel, dated 30 April 1957, is resubmitted herewith. The following recommendation is to replace paragraph 11 in the Staff Study:

11. Recommendation:

a. The Director of Personnel

- 1). Develop policies governing the Agency's personnel program;
- 2). Be solely responsible for hiring personnel in the United States;
- 3). Make all initial assignments and such reassignments involving more than one Career Service as may require central control and enforcement;
- 4). Carry out such responsibilities in the fields of promotion, discipline, and discharge as are currently assigned to him in regulations;
- 5). Administer the Agency's wage compensation program;
- 6). Exercise central responsibility for the Agency's management development program;
- 7). Provide services of common concern as at present.

b. The Career Council continue as the principal Agency board in personnel matters.

c. The heads of Career Services, under the guidance and control of the Deputy Directors concerned, assume full responsibility for the implementation of policies and procedures as they pertain to the internal personnel management of the Career Services in the fields of promotion, recruitment, rotation, and elimination of personnel.

L. Gordon M. Stewart

Personnel

**Gordon M. Stewart
Director of Personnel**

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SECRET

30 APR 1957

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Role of the Director of Personnel

REFERENCE: Memo to D/Pers by HXXI dtd 24 Jan 57, forwarding the Inspector General's paper, same subject

1. This memorandum submits a recommendation for approval of the Director of Central Intelligence. Such recommendation is contained in paragraph 11.

2. In section III of the attachment to referenced memorandum, the Inspector General raises two issues which appear to be central to the whole problem. These are:

a. The division of responsibility for personnel administration among operating officials, the Career Services, and the Director of Personnel; and

b. Centralization of personnel administration as against decentralization.

Once these issues have been resolved, the other questions asked in the paper concerning the role of the Director of Personnel are more readily answered.

3. In preparing this response, I have read the regulations pertaining to personnel administration and have talked with the senior Agency personnel officers located here in Washington. I can report that thinking among our personnel officers strongly favors a substantial decentralization of the responsibility for personnel administration to the Career Services.^{1/} In their view, such decentralization will:

a. Fix responsibility where it can be most effectively exercised;

b. Guarantee to our people that their careers are in the hands of informed and responsible officials;

c. Provide a framework for sound planning with regard to pay scales and recruitment;

d. Reduce duplication of effort; and

^{1/} A Career Service includes on its rolls all of the specialists in one particular field; for example, the Logistics Career Service includes all logistics officers in the Office of Logistics, in other headquarters offices, and overseas.

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SUBJECT: Role of the Director of Personnel

c. Make more effective our efforts to evaluate personnel, advance the able, and weed out the ineffective.

4. Clearly, some of these advantages are already evident in our present system of management. There has been a trend in this direction. It is my recommendation that we continue to move along these lines, that any ambiguity concerning the responsibilities of the heads of Career Services be removed, that the personnel mechanisms of these services be studied and gradually strengthened, and that the Office of Personnel adjust its procedures and practices in such a way as to be in full support of the Career Services.

5. I make this recommendation because I believe that the way to achieve high standards of work performance is to encourage each Career Service to establish personnel standards and practices suitable to the operational missions which the Service supports. Furthermore, the Agency has settled down and become sufficiently integrated to permit a healthy degree of independence and non-uniformity on the part of the Career Services.

6. There are, of course, important areas of personnel administration which cannot be decentralized to the Career Services. The Deputy Directors necessarily reserve to themselves certain responsibilities. Wide areas of executive responsibility in the field of personnel management will continue to rest with operating officials who, as executives, will act both in behalf of the Career Services whose people fall under their command and of the Office of Personnel in such matters as employee benefits, travel, insurance, record maintenance, and the like.

7. Finally, the Director of Personnel has certain staff responsibilities and performs certain services of common concern which cannot be decentralized. How these relate to the responsibilities of other Agency officials is discussed in paragraph 8 below.

8. While I agree with the Inspector General that further clarification of the role of the Director of Personnel will in some measure contribute to the strengthening of the Agency's personnel administration, it is evident that the reputation of the Office of Personnel and of the Agency itself suffers because of our inability to deal promptly and effectively with the large number of cases of misassignment, overgrading, under-utilization and mediocrity. It is with these in mind that the following comments are submitted on section II of the Inspector General's paper.

a. Policy Making

1). It is our position that personnel policy should be developed both for the individual Career Services and for the Agency as a whole.

2). Agency policy will necessarily be the more formal, comprehensive, and authoritative. It will continue to deal with

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basic employee-employer relationships, fiscal matters, standards of conduct, benefits and privileges, and the like. It will also encompass all personnel policies bearing on overseas service so that equality in treatment will be guaranteed to field personnel. It is proposed that suggested changes in Agency policy be referred to the Director of Personnel for study before they are presented to the Career Council and that the Council continue to act as the principal Agency policy board in matters pertaining to personnel administration.

1). The development of Career Services policies will be encouraged and supported by the Director of Personnel in the fields of salary administration, promotion, rotation, recruitment, assessment, and elimination.

b. Hiring

1). It is proposed that the Office of Personnel do all of the hiring in the United States for the Agency as a service of common concern. It will be the responsibility of the individual Career Services to define needs and to render such professional assistance to the recruitment staff of the Office of Personnel as may be required. The Office of Personnel will continue to arrange for the participation of intelligence officers in this effort.

2). The Director of Personnel is specifically responsible for ensuring that Agency employment standards are met.

3). A regulation on the subject of recruitment and screening of personnel is needed and is in the process of being drafted. This regulation will propose that hiring be based on anticipated needs of the Career Services rather than on position vacancies in operating components and will establish adequate mechanisms for the evaluation and screening of incoming personnel.

4). Our reason for centering recruitment policy planning in the Career Services is to promote the efficient use of personnel on duty and to provide for recruitment only to meet net requirements. Hiring to fill 7/6 vacancies is certainly a cause of overstaffing in some categories.

c. Assignment and Reassignment

1). The Office of Personnel should assign all new employees, with the exception of Junior Officer Trainees, to the appropriate Career Service. The suggestion made by the Inspector General that a Career Service be authorized to return unsatisfactory employees at the conclusion of three months has great merit and will be the

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subject of our immediate attention. Certainly, such procedure will ensure better assignments for some and an early separation for others.

2). The Office of Personnel has taken the following actions which will indicate the direction of our thinking with regard to the problem of reassignment:

a). Drafting of an Agency regulation which sets forth the procedures to be followed by an individual desiring reassignment.

b). Establishing a special assignment committee, with Career Council approval.

c). Proposing to the Deputy Director (Plans) that procedures be worked out which will provide for the immediate assignment of personnel returning from the field and thus bring an end to "hall-walking."

3). In addition to these measures, it is the intent of the Director of Personnel to work with the Deputy Directors and the heads of the Career Services in an effort to eliminate the mal-practices associated with "shuffling."

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d. Promotion, Discipline, and Discharge

1). It is believed that the competitive promotion system introduced by Regulation [] is sound. Regulations pertaining to discipline and discharge are sound insofar as they recognize and protect the rights, privileges, and benefits of the employee. The role of the Director of Personnel in these matters is accurately set forth in these regulations. It is believed, however, that the Agency's mechanisms designed to identify unqualified personnel and arrange for their release must be sharpened very considerably. The full responsibility for ensuring that such actions are taken should initially rest with the Career Services. Procedures pertaining to the selection of personnel for the Agency's Career Staff should be changed to emphasize this responsibility and to relieve the Examining Panels of much of their present "pick and shovel" work.

e. Wage Classification

1). The Director of Personnel should be responsible for the administration of the Agency compensation program--specifically, the development and application of pay plans, wage schedules, and job evaluation procedures. He should work with the heads of Career Services and operating officials so as to be aware of problems in compensating personnel faced by these officials and to establish

SUBJECT: Role of the Director of Personnel

understanding and agreement of the facts which influence and determine pay levels. He must necessarily keep in close touch with external pay levels and salary administration practices, governmental and industrial; make internal adjustments as appropriate and allowable under Agency compensation policies, and submit to the Career Council changes of a policy nature.

2). Job evaluation should emerge as a more positive and useful tool to personnel management in the Career Services. We believe that the Office of Personnel in cooperation with the heads of Career Services should determine and maintain, through use of job evaluation techniques, "a basic table of staffing requirements" for each Career Service. This table should be comprised of the numbers, types (occupations, age groups, physical qualifications), and levels of personnel which each Career Service should include to provide for effective support of the Agency's operational programs. It could well include, in addition, a small reservoir of personnel in training for replacement and emergency assignment purposes. This device will enable the Career Services to know where they stand with regard to current personnel assets as opposed to current and planned future staffing requirements. It will also make possible more satisfactory personnel planning by the Career Services through pointing out the changes in the composition of each Career Service to be attained through promotions, training or retraining, transfers between Services, career planning, and recruitment, so that the proper balance of personnel assets may be achieved. In the long run, the "basic table of staffing requirements" for each Career Service will form the basis for the curtailment of the size of its professional staff. It will also serve as a base for budgetary planning and will provide a means for controlling the average grade.

f. Management Development

1). The Director of Personnel, working with the heads of Career Services, will undertake to develop an informal roster of promising officers and to arrange for their formal and on-the-job training in the interests of management development.

2). It is proposed that the Deputy Directors inform the Director of Personnel on a continuing and confidential basis of all openings for senior personnel. With this information at hand, the Director of Personnel will be able from time to time to suggest candidates for such positions, thereby stimulating rotations.

g. Training

h. Control

i. Welfare and "Morale" Services

(The Inspector General's remarks on these subjects are accepted, and no further comment seems necessary at this time.)

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9. In accordance with paragraph 2 of reference, this memorandum has been discussed with [redacted] former Director of Personnel, and was reviewed in detail by the Career Council on 25 April 1957. The Career Council concurred in the memorandum as submitted and requested that the Director of Personnel keep the Council informed as elements of the program were implemented. The Council also requested that he present to the Council one year from date a general review of the then current personnel administration system. The Director of Personnel will be guided by the comments he has received from Mr. Reynolds and members of the Council.

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10. CONCLUSION:

The Inspector General's paper has served to focus the attention of the senior members of the Office of Personnel on basic organizational problems relating to their work. They are unanimous in their belief that solutions to these problems, set forth above, are appropriate to the needs of the Agency and can be applied to the present system of personnel administration with but minor changes in our regulations.

11. RECOMMENDATION:

It is recommended that the responsibility for Agency personnel administration be decentralized to the Career Services to the degree and for the purposes given above.

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[redacted]

for and in the absence of

SCOTCH E. STEWART
Director of Personnel

The recommendation in paragraph 11 is **APPROVED**.

Director of Central Intelligence

Date

Distribution:

Orig. & 1 - D/Pers	1 - EF
1 - DCI	2 - IS/G
1 - HCCI	1 - IG

D/Pers:GStewart:mp

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